

August 22, 2012

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	WC Docket No. 02-60
)	
The Rural Health Care Program Reform)	DA 12-1166
)	
)	

**COMMENTS OF THE CALIFORNIA CORRECTIONAL HEALTH CARE SERVICES
(CCHCS) CONSORTIUM**

On behalf of the nineteen (19) rural health clinics in the State of California participating in the existing Rural Health Care Program, the CCHCS appreciates the opportunity to submit comment on the Wireline Competition Bureau's Public Notice Solicitation on Issues in the Rural Health Care (RHC) Program Reform rulemaking proceeding (WC Docket No. 02-60) released on July 19, 2012 particularly with regard to the proposed Broadband Services Program.¹

The CCHCS supports the Commission's efforts to offer financial support for telecommunications services necessary to expand the health care services into rural areas and to assist communities and health care providers with developing and deploying their own broadband networks. Although CCHCS did not have an opportunity to participate in the Pilot Program, the CCHCS would like to offer comment on the lessons learned and experience taken from participation in the Commission's current Rural Health Care Program in the areas of (1) use of consortium applications; and (2) use of the competitive bidding processes and multi-year contracts.

STATEMENT OF INTEREST AND INTENT

The CCHCS Headquarters located in Sacramento, California acts as the primary point-of-contact representing nineteen (19) rural health clinics (collectively "the CCHCS Consortium") and carries the administrative and fiscal responsibility for each Health Care Provider (HCP). It is the

¹ *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Notice of Proposed Rulemaking, 25 FCC Rcd 9371, 9407-9415, paras. 90-113 (2010) (*NPRM*).

intent of the CCHCS to provide comment that reflects CCHCS' experience while participating in the Commission's current Rural Health Care Programs (the "Primary Program")² that would vastly improve the quality and efficiency of the program while maintaining program integrity.

CONSORTIUM

Section Ia. Consortium Application Process

The CCHCS would like to comment on the specific procedures for the application process for consortia in the proposed Broadband Services Program. The CCHCS agrees with Commenter suggestions that the consortium approach has many benefits, especially for rural HCPs that have limited administrative, financial, and technical resources. The comments recommend that the Commission consider the use of a consortium application, by which a single party could apply for and receive funding on behalf of a group of eligible entities and then administer that funding for their benefit. Although an HCP may apply for funding under the Primary Program as a member of a consortium, in practice consortium applicants must still file a separate Form 465 for every HCP site.

Recognizing that the Commission would like to focus on streamlining the application process while protecting against waste, fraud, and abuse; the CCHCS recommends that the Commission require the Consortium Leader ("Point-of-Contact") to provide Letters of Authorization (LOAs) from each participating member of the consortium if said consortium is comprised of several independent external organizations working in collaboration for the benefit of network sourcing, as in the Pilot Program. If the consortium is a single organization with multiple disparate locations, such as CCHCS, then a single Letter of Authorization should list each location that is a participating member. The Letter(s) of Authorization should be submitted at the request-for-services stage with the filing of the Form 465. The CCHCS agrees that the joint purchasing power may be leveraged to obtain the most cost-effective pricing for services provided to the consortium.

The CCHCS does not agree that the Commission should require the lead entity and selected vendor to certify that the support provided be used only for eligible purposes. Under the Primary

² The Commission's traditional rural health care programs – the telecommunications program and the internet access program – are together commonly referred to as the "Primary Program".

Program, the credits and/or dollars issued to the entity by the service provider may be used at the entity's discretion. Any deviation would create an additional administrative burden by increasing the reporting requirement.

Section Ic. Site and Service Substitution

The Pilot Program permits site and service substitutions within a project in certain specified circumstances, in order to provide some amount of flexibility to the project participants. Under the Pilot Program, a site or service substitution may be approved if:

- i. the substitution is determined to be provided for in the contract, be within the change clause, or constitute a minor modification,
- ii. the site is an eligible health care provider or the service is an eligible service under the Pilot Program,
- iii. the substitution does not violate any contract provision or state or local procurement laws, and
- iv. the requested change is within the scope of the controlling FCC Form 465, including any applicable Request for Proposal.³

The CCHCS recommends that the Commission adopt a similar policy for the consortia that participate in the proposed Broadband Services Program. Under the proposed Broadband Services Program, a site or service substitution should be approved if:

- i. the substitution is determined to be provided for in the contract, be within the change clause, or constitute a minor modification,
- ii. the site is an eligible health care provider or the service is an eligible service under the Primary Program,
- iii. the substitution does not violate any contract provision or state or local procurement laws, and
- iv. the requested change is within the scope of the controlling FCC Form 465, including any applicable Request for Proposal.

³ USAC Site and Service Substitution Policy, at 1, 3, available at <http://www.universalservice.org/res/documents/rhc-pilot-program/pdf/Site-and-Service-Substitution.pdf>.

COMPETITIVE BIDDING PROCESS

Section IVa. Competitive Bidding Process

In the *NPRM*, the Commission proposed to extend the competitive bidding requirements currently applicable to the Primary Program to the Broadband Services Program, and sought comment on changes that could be made to make the competitive bidding mechanism more successful or efficient.⁴ The CCHCS agrees that the Commission should require consortium applicants in the Broadband Services Program to prepare a Request for Proposal (RFP) that lists all of the eligible services available and/or required under the Broadband Services Program, provides detailed requirements for participation in the competitive bid, and provides a detailed explanation of the scoring, selection, and award criteria.

The CCHCS recommends that the Commission require consortium applicants in the Broadband Services Program to include in the Request for Proposal (RFP) a list of all of the eligible services available under the existing Primary Program and the proposed Broadband Services Program. This effort would address two (2) issues:

- i. Meets the Site and Services Substitution requirement as defined in *Section Ic. Site and Services Substitutions #iv*.
- ii. Alleviates the need/requirement to competitively bid each new service an entity may require if each service is identified, competitively bid, and included in the contract.

The CCHCS also agrees that a waiver should be made available under the Broadband Services Program that exempts State Agencies from the competitive bid process as the State procurement laws and guidelines maximize the collective purchasing power of the State and result in the provisioning of the most cost-effective pricing available.

Section IVc. Multi-Year Contracts

Participants in the Primary Program must submit funding requests annually, but may obtain “evergreen” status for eligible services and certain multi-year contracts. Participants with evergreen contracts are given evergreen status only for those eligible services that are engaged at the time of contract signature. Evergreen status does not extend to situations where a participant

⁴ See USAC Observations Letter at 3.

seeks to add services, make cardinal changes, renew or extend the contract. If a HCP requires an additional service that has not been designated by the Primary Program as “evergreen”, the HCP must begin the competitive bid process again.

The CCHCS recommends for inclusion in the proposed Broadband Services Program a policy that creates a “blanket” evergreen status for consortia that is inclusive of all services that are eligible under the program if the services have been listed in the Request for Proposal, competitively bid, and are included in a multi-year contract with a minimum term of three (3) years and a maximum term of five (5) years. This policy would significantly minimize the administrative burden associated with conducting a competitive bid for program participants and reduce the review time for the USAC.

The CCHCS also agrees with the Nebraska Statewide Telehealth Network (NSTN) recommendation that a “true” evergreen provision be applied to HCPs with multi-year contracts, which would allow for HCPs with multi-year contracts to apply only once for multiple years of funding.⁵ The Commission should require HCPs with multi-year contracts under this provision to continue to submit requests-for-services (Form 465) to assist the proposed Broadband Services Program with forecasting of demand for RHC Support. Any changes and/or modifications to existing services, such as Disconnects, should be submitted via Form 467 submittal as is currently required by the Primary Program.

Section IVd. Existing Master Services Agreements (MSAs)

Master Services Agreements permit applicants to opt into a contract for eligible services that have been negotiated by federal or state government entities without having to engage in negotiations with individual service providers. The CCHCS recommends that the Commission exempt from competitive bidding requirements State health care providers that are required to use the State mandated Master Services Agreements for the procurement of telecommunication and/or broadband services. The Commission should permit applicants for the Broadband Services Program to take services from an MSA, so long as the original master contract was awarded through a competitive process. The Commission should require applicants to submit the

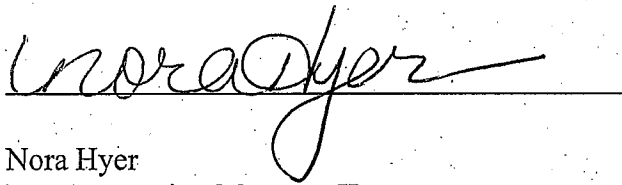
⁵ NSTN Comments at 6. See also AHA Comments at 5 (supporting proposal to allow providers to enter into multi-year contracts in order to avoid yearly reporting and re-bidding obligations).

Request for Proposal package and subsequent MSA at the funding request phase - with the submittal of Form 466 - as a method of verification/validation of the competitive bid process.

CONCLUSION

The CCHCS appreciates the Commission's solicitation for comment into how to reform the existing Rural Health Care Support Mechanism. The Commission can make substantial near-term progress by adopting the reforms described above. The CCHCS is confident that its agreement with an array of respondents, and its recommendations provided herein, will enable the Commission to meet and exceed its objectives to reform the RHC Support Mechanism and dramatically enhance health care delivery to rural America.

Sincerely,

A handwritten signature in cursive script, reading "Nora Hyer", is written over a horizontal line.

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